

March 9, 2017
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STARKE COUNTY 2017 RATIO STUDY

The Ratio Study for 2017 pay 2018 was completed on March 9, 2017

All classes of property (excluding golf courses & agricultural) were trended using the Sales Comparison Method. All Residential, Commercial & Industrial sales that were determined to be valid arms-length transactions occurring between 1/1/2015 and 12/31/2016 were utilized in order to achieve a representative sample size for every township and class of property. No time adjustment was used for the 2015 sales due to the relatively static nature of the market and because we believed it would be unjustified to make an adjustment to over 300 sales based on the single (valid) paired sale that was found.

There were less than five (5) valid sales in each of following three classes of property over the previous two years: COMMERCIAL VACANT, INDUSTRIAL IMPROVED and INDUSTRIAL VACANT, therefore a sales ratio was not performed on these classes.

Because of a *relatively* low number of sales, the following townships were grouped together in the classes of property listed below for the reasons noted:

COMMERCIAL IMPROVED sales for CENTER & WAYNE townships were grouped together (ComImp1). Reason: Most commercial properties in these two townships are located within the towns of Knox and North Judson respectively, which are the two largest towns in the county and do not exhibit significantly differing market characteristics. Commercial properties are generally clustered together in these two townships.

COMMERCIAL IMPROVED sales for ALL OTHER TOWNSHIPS EXCEPT CENTER & WAYNE townships were grouped together (ComImp2). Reason: Commercial properties in the remaining seven townships are usually located along county highways or in a couple of towns much smaller than Knox & North Judson and are typically more rural and isolated.

CALIFORNIA and NORTH BEND TOWNSHIP RESIDENTIAL VACANT SALES were grouped together (CalNB). Reason: These two townships are very similar in that a large number of residential properties are clustered around Bass Lake which straddles both of these townships. The remainder of these townships have a similar mix of agricultural and residential properties with no towns and relatively few subdivisions except for the lake area.

CENTER and WASHINGTON TOWNSHIP RESIDENTIAL VACANT SALES were grouped together (CenWas). Reason: These two townships are predominantly residential, with numerous small subdivisions scattered throughout. Both are completely contained within the Knox Community school district and exhibit similar economic characteristics.

DAVIS and OREGON TOWNSHIP RESIDENTIAL VACANT SALES were grouped together (DavOre). Reason: These two townships are primarily agricultural, with the exception of the Town of Hamlet and the Koontz Lake Area. The Town of Hamlet straddles the border of these townships. Together these two townships comprise the entirety of the Oregon-Davis School District. Over 70% of Davis Township residential parcels are within a mile of the Oregon Township line.

RAILROAD, JACKSON and WAYNE TOWNSHIP RESIDENTIAL VACANT SALES were grouped together (RRJacWay). Reason: These three townships are completely contained within the North Judson-San Pierre school district and exhibit similar economic characteristics. 8 of the 9 sales are concentrated in Wayne Township, but 6 of those 8 are outside of North Judson in rural areas, as is the one sale from Railroad Township.

Note that sale prices on the sale ratio study have been adjusted to account for Seller Paid Points and/or Personal Property where applicable. A number of previously validated sales in which significant changes have occurred since the sale date have been excluded from the ratio study, however in cases where the changes can be easily quantified and adjusted (i.e., a dwelling or outbuilding was simply added or removed), the sale was retained and the values were adjusted to reflect the improvements present at the time of the sale. Sales in which this occurred are documented on the ratio study with yellow colored cells indicating wherever the Land Value, Improvement Value and/or Property Class has been adjusted will and therefore differ from the data in the workbook.

According to our calculations there were four township/classes of property in which the total valuation changed by more than 10%. These are listed below along with an explanation:

Jackson Twp Commercial Improved (-22.3%) – There are ONLY six parcels total in this group. Three of these parcels were subject to reassessment this year and all three saw significant decreases in value due to issues such as downgraded condition and additional economic obsolescence for long-term vacancy as well as accrued depreciation.

Oregon Twp. Industrial Vacant (+11.4%) – Caused exclusively by two parcels; 75-03-19-104-010.000-017 & 75-03-19-301-036.000-017 which were classified as Utility properties prior to sale in 2016.

Oregon Twp. Commercial Vacant (+42.5%) – Caused primarily by two parcels; 75-03-02-403-004.100-009 & 75-03-27-100-002.104-009. Both are new splits that originated from land that was classified as Residential in 2016.

Oregon Twp. Commercial Improved (+21.9%) – Caused primarily by two parcels; 75-03-02-403-004.000-009 & 75-03-27-200-002.100-009. Both have newly built commercial buildings on land that was classified as Residential in 2016.

Wayne Twp. Commercial Vacant (-17.7%) – Caused primarily by the deletion of two parcels; 75-09-16-304-113.000-014 & 75-09-21-102-006.000-014. Both were Commercial Vacant in 2016 but no longer exist as the land has been combined to Commercial Improved parcels for 2017.

Our initial ratio study submission consists of these four files:

- 1) **2017_Starke_TRENDING_NARRATIVE** (this 4 page narrative)
- 2) **2017_Starke_RATIO_STUDY.xlsx** is the sales ratio study formatted per instructions from the DLGF memo dated 12/2/2011
- 3) **2017_Starke_WORKBOOK.xlsx** is the workbook showing the valuation of all parcels.
- 4) **STARKE Sales Reconciliation 03-09-2017**

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